



GENERAL ASSEMBLY

COMMONWEALTH OF KENTUCKY

2012 REGULAR SESSION

HOUSE BILL NO. 351

FRIDAY, MARCH 16, 2012

The following bill was reported to the Senate from the House and ordered to be printed.

RECEIVED AND FILED
DATE April 11, 2012
2:51 pm
ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
Mary Sue Wilson

1 AN ACT relating to state property.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔Section 1. KRS 56.100 is amended to read as follows:

- 4 (1) Each fiscal year the State Treasurer shall deduct from any funds in the Treasury~~[his~~
 5 ~~hands]~~ payable to an agency for the care and maintenance of public buildings or
 6 property, an amount equal to the premiums certified to him or her as chargeable
 7 against that agency. The amount so debited shall be credited to an account kept by
 8 the State Treasurer and known as the state fire and tornado insurance fund. No
 9 premium shall be charged on any one (1) subject of risk upon a valuation of more
 10 than one million dollars (\$1,000,000)~~[five hundred thousand dollars (\$500,000)]~~
 11 unless the Office of the Controller in the Finance and Administration Cabinet has
 12 contracted for reinsurance that limits the liability of the fund to one million dollars
 13 (\$1,000,000)~~[five hundred thousand dollars (\$500,000)]~~ upon such subject of risk.
- 14 (2) The Office of the Controller in the Finance and Administration Cabinet shall
 15 prescribe a certificate setting forth the terms and conditions of coverage under the
 16 state fire and tornado insurance fund. Different forms of certificates may be used for
 17 different risks. Such certificates may contain such terms and conditions as the
 18 Office of the Controller in the Finance and Administration Cabinet may
 19 prescribe, including, but not limited to, a deductible in order that there be fair
 20 allocation of significant losses and the elimination of unnecessary costs in
 21 administering the state fire and tornado insurance fund.

22 ➔Section 2. KRS 56.120 is amended to read as follows:

23 When the amount of damage has been determined, the State Treasurer shall debit the
 24 account of the state fire and tornado insurance fund by that amount and credit with an
 25 equal amount the account of the agency that has control or custody of the property
 26 damaged, and upon warrant from the Finance and Administration Cabinet, the Treasurer
 27 shall pay to the agency the amount so credited to it, for the purpose of repairing the

1 damage or reconstructing or replacing the damaged or destroyed property. If the agency
 2 deems it impracticable or undesirable to use the money for repair, reconstruction, or
 3 replacement of the property damaged or destroyed, it may, with the approval of the
 4 Finance and Administration Cabinet, and subject to the provisions of KRS 56.491,
 5 expend said funds for the acquisition, repair, construction, or reconstruction of property
 6 similar to the property damaged or destroyed. No debit, credit, or payment made on
 7 account of the damage to any one (1) subject of risk, by any one (1) loss, shall be in
 8 excess of one million dollars (\$1,000,000)~~five hundred thousand dollars (\$500,000)~~,
 9 unless the Office of the Controller in the Finance and Administration Cabinet has
 10 effected reinsurance upon the subject of risk such as to limit the liability of the state fire
 11 and tornado insurance fund to one million dollars (\$1,000,000)~~five hundred thousand~~
 12 ~~dollars (\$500,000)~~, and unless the excess over this amount has actually been paid into
 13 the fund by the reinsuring company or companies.


14 ➔ Section 3. KRS 56.160 is amended to read as follows:

15 The Office of the Controller in the Finance and Administration Cabinet may contract
 16 with any responsible fire and tornado insurance or reinsurance company authorized to do
 17 business in Kentucky to reinsure any subject of risk of which the total valuation has been
 18 fixed at over one million dollars (\$1,000,000)~~five hundred thousand dollars (\$500,000)~~
 19 in such a way as to limit the net liability of the state fire and tornado insurance fund with
 20 respect to such subject of risk to one million dollars (\$1,000,000)~~five hundred thousand~~
 21 ~~dollars (\$500,000)~~. The premium for reinsurance shall be paid out of the state fire and
 22 tornado insurance fund, on warrant of the cabinet.

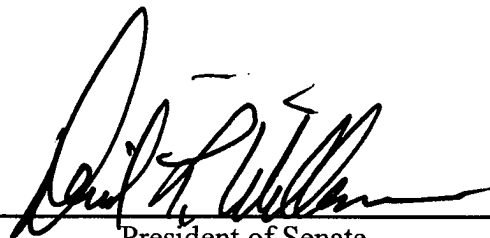
23 ➔ Section 4. KRS 56.180 is amended to read as follows:

- 24 (1) If at the end of any fiscal year the moneys and securities to the credit of the state fire
 25 and tornado insurance fund exceed ten million dollars (\$10,000,000)~~five million~~
 26 ~~dollars (\$5,000,000)~~, any such excess shall be transferred to the general fund.
- 27 (2) The moneys and securities to the credit of the state fire and tornado insurance fund

- 1 shall not be used for any purpose unrelated to fund operations.
- 2



Speaker-House of Representatives



President of Senate

Attest: 

Chief Clerk of House of Representatives

Approved 

Governor

Date 4-11-12